

February 24, 1984

LB 1064

cattle or hogs or whatever in this state, need to make certain that they still have that ability to get capital and any way that we might put in that would prohibit a banker from having the protection that I believe they need in granting that capital to the cattlefeeding industry would certainly be a detriment. So that's the reason I needed to ask the question. I appreciate the response. I wanted to make certain of what the intent was, Senator Chronister. Thank you very much.

SENATOR CHRONISTER: Senator Vickers, since Senator DeCamp is not here today, trust me.

SENATOR VICKERS: Ah, well I, thank you, Senator Chronister. I'm not sure I wanted to do that that great without the intent being clear. That's what I wanted to make certain about but with that explanation, I will support 1064 but I would, I guess I would question, I would question the need for 1064 because I really can't see my banker and too many other bankers out there giving up that first lien, and if that's the case, I wonder whether or not putting 1064 in the statutes is really going to make any difference. I think what we're doing is making the statute book a little thicker and killing another tree or two by printing some paper.

SENATOR CHRONISTER: Senator Vickers, I think I have an answer for you on that problem. The purpose is to provide a remedy if a feed bill is not being paid and some sort of security assurance is required. Secondly, many times when an account has filed bankruptcy, there is not a secured position in bankruptcy court for the feed dealer if he does not have this tool.

PRESIDENT: Senator Kahle.

SENATOR KAHLE: Mr. President and members, I think Senator Vickers has asked about all the questions. If I understand it correctly then, if you go to the bank and borrow money to buy cattle and then go to the feed dealer to make arrangements to buy your feed, that feed dealer better know that the bank has a lien on those cattle and straighten it out with the bank. Is that correct, Senator Chronister?